

STATE OF NEW JERSEY  
BUREAU OF SECURITIES  
P.O. Box 47029  
Newark, New Jersey 07101  
(973) 504-3600

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IN THE MATTER OF:

EMERGENCY ORDER DUE TO  
HURRICANE KATRINA GRANTING  
TEMPORARY EXEMPTION  
FROM REGISTRATION AS A BROKER-  
DEALER, AGENT, INVESTMENT  
ADVISER, INVESTMENT ADVISER  
REPRESENTATIVE OR FEDERALLY  
COVERED INVESTMENT ADVISER  
NOTICE FILER  
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ORDER

WHEREAS, the Chief of the Bureau of Securities ("Bureau") has determined that it is appropriate and in the public interest to issue an Emergency Order concerning certain securities transactions which may take place between investors and financial professionals, if either or both have been displaced as a result of Hurricane Katrina. The exemption provided in this Order is subject to the condition that the securities transactions or investment advice is with pre-existing clients who are temporarily located in New Jersey as a result of Hurricane Katrina ("clients who are temporarily located in New Jersey" is defined herein as "clients who are residents of another state who are temporarily located in New Jersey as a result of Hurricane Katrina until such time as they are able to return to their home state"), or subject to the condition that the broker-dealer, agent, investment adviser, investment adviser representative or federally covered investment adviser has a temporary place of business in New Jersey as a result of Hurricane Katrina, doing business only with pre-existing clients ("pre-existing clients" are defined herein as "clients as of August 29, 2005"); and

WHEREAS, the Chief of the New Jersey Bureau of Securities is charged with the administration of the Uniform Securities Law (1997), as amended, L. 1997, c. 276, N.J.S.A. 49:3-47 *et seq.*, ("Law"), and the Regulations, N.J.A.C. 13:47-1.1 *et seq.*, promulgated under the Law; and

WHEREAS, N.J.S.A. 49:3-67(a) provides, in part that "[t]he bureau chief may from time to time make, amend and rescind such rules, forms and orders as are reasonably necessary to carry out the provisions of this act..."; and

WHEREAS, N.J.S.A. 49:3-49 defines the terms broker-dealer, agent, investment adviser and investment adviser representative; and

WHEREAS, N.J.S.A. 49:3-56(a) states, "It shall be unlawful for any person to act as a broker-dealer, agent, investment adviser or investment adviser representative in this State unless that person is registered or exempt from registration under this act;" and

WHEREAS, N.J.S.A. 49:3-56(n) sets forth the notice filing requirements in New Jersey for federally covered investment advisers; and

WHEREAS, N.J.S.A. 49:3-56(f) states, "The bureau chief may by ... rule or order define the conditions under which non-resident persons are temporarily in New Jersey...;"

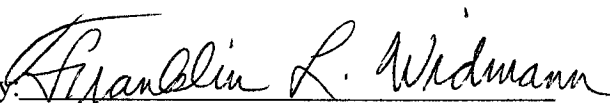
THEREFORE IT IS on this 16th day of September 2005 HEREBY ORDERED that:

Pursuant to the authority of the Bureau Chief provided by N.J.S.A. 49:3-56 and N.J.S.A. 49:3-67, broker-dealers, agents, investment advisers, investment adviser representatives and federally covered investment adviser notice filers (hereinafter collectively referred to as "financial professionals"), which financial professionals or clients are displaced as a result of Hurricane Katrina, may continue to effect securities transactions or conduct business without broker-dealer, agent, investment adviser or investment adviser representative registration or federally covered investment adviser notice filing, as required in New Jersey, as long as the financial professional complies with the following conditions:

- 1) The financial professional shall only effect securities transactions with pre-existing clients;
- 2) If the financial professional is a broker-dealer, the firm is a member of the appropriate self-regulatory organization ("sro") and is registered in the home state from which the investor has been displaced;
- 3) If the financial professional is a state registered investment adviser, the firm is registered with the home state from which the investor has been displaced;
- 4) If the financial professional is a federally covered investment adviser, the firm is registered with the U.S. Securities and Exchange Commission and is notice filed in the home state from which the investor has been displaced;
- 5) The financial professional discloses to its clients temporarily located in New Jersey that it is not subject to the full regulatory requirements of the New Jersey Uniform Securities Law (1997);
- 6) A financial professional who has been displaced by Hurricane Katrina and is temporarily located in New Jersey may continue to do business with his or her pre-existing clients who reside outside of New Jersey without the requirement of registration with the New Jersey Bureau of Securities;

- 7) The financial professional is not otherwise in violation of the New Jersey Uniform Securities Law (1997);
- 8) Any solicitation of new clients is subject to the registration requirements of the New Jersey Uniform Securities Law (1997).
- 9) Any non-exempt securities-related activity beyond the scope of this Order shall constitute unregistered activity and be subject to both state enforcement action and civil liability.
- 10) The New Jersey Uniform Securities Law (1997) prohibits fraud or fraudulent practices in connection with the offer or sale of securities or the rendering of investment advice, including the activity covered by this Order. The provisions of the New Jersey Uniform Securities Law (1997) prohibiting fraud or fraudulent practices apply to both registered persons and unregistered persons.
- 11) The financial professional effecting securities transactions or dispensing investment advice to displaced investors can act only within the scope of this Order, unless properly registered with the Bureau.

This Order shall take effect immediately and shall remain in effect until November 30, 2005, unless subsequently amended or vacated by the Bureau Chief.

By:   
Franklin L. Widmann  
Chief, Bureau of Securities